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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-898]

Chlorinated Isocyanurates from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2010-2011

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On July 16, 2012, the Department of Commerce (the Department) published the preliminary results of an administrative review of the antidumping duty order on chlorinated isocyanurates (chlorinated isos) from the People's Republic of China (PRC).¹ The period of review (POR) for this administrative review was June 1, 2010, through May 31, 2011. We invited interested parties to comment on our Preliminary Results. Based on our analysis of the comments received, we have made changes to the margin calculations. Therefore, the final results differ from the preliminary results. The final dumping margins for this review are listed in the "Final Results of Review" section below.

EFFECTIVE DATE: [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Emily Halle or Andrew Huston, AD/CVD

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¹ See Chlorinated Isocyanurates From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, 77 FR 41746 (July 16, 2012) (Preliminary Results).

SUPPLEMENTARY INFORMATION:

Background

Since the publication of the Preliminary Results, the following events have occurred. On August 6, 2012, Zhucheng Taisheng Chemical Co., Ltd. (Zhucheng) timely filed surrogate value information.² On September 5, 2012, Clearon Corporation and Occidental Chemical Corporation (Petitioners), Hebei Jiheng Chemical Company, Ltd. (Jiheng), and Juancheng Kangtai Chemical Co., Ltd. (Kangtai) timely filed surrogate value information.³ Petitioners submitted rebuttal surrogate value comments on September 17, 2012.⁴ The Department conducted verification of Jiheng from October 15 through 19, 2012, and released the verification report on November 21, 2012.⁵ On December 3, 2012, Jiheng, Kangtai, Zhucheng, and Petitioners filed case briefs. Jiheng, Kangtai and Petitioners filed rebuttal briefs on December 10, 2012. In response to timely requests from Petitioners and Jiheng to hold a public hearing,⁶ the Department conducted a public hearing on December 21, 2012.⁷

² See Letter from Zhucheng regarding “Chlorinated Isocyanurates from the People’s Republic of China: Submission of Publicly Available Surrogate Value Information,” August 6, 2012.

³ See Letter from Petitioners regarding “Chlorinated Isocyanurates from The People’s Republic of China: Sixth Administrative Review: Information Regarding Surrogate Values for Factors of Production,” September 5, 2012; Letter from Jiheng regarding “Chlorinated Isocyanurates from China (Sixth Administrative Review) – Hebei Jiheng Chemical Company, Ltd. Resubmission of Surrogate Value Information for Factors of Production,” September 5, 2012; Letter from Kangtai regarding “Chlorinated Isocyanurates from the People’s Republic of China Surrogate Values for Final Determination,” September 5, 2012.

⁴ See Letter from Petitioners regarding “Chlorinated Isocyanurates from the People’s Republic of China (6th Antidumping Administrative Review): Petitioners’ Submission of Rebuttal Information Regarding Surrogate Values for Factors of Production,” September 17, 2012.

⁵ See Memorandum titled “Verification of the Sales and Factors Response of Hebei Jiheng Chemical Company Ltd. in the Antidumping Review of Chlorinated Isocyanurates from the People’s Republic of China,” November 20, 2012.

⁶ See Letter from Petitioners regarding “Chlorinated Isocyanurates from The People’s Republic of China: Sixth Administrative Review: Request for Hearing,” August 15, 2012; Letter from Jiheng regarding “Chlorinated Isocyanurates from China (Sixth Administrative Review) – Hebei Jiheng Chemical Company, Ltd. Request for Hearing,” August 15, 2012.

⁷ See transcript for public hearing in the matter, “The Administrative Review of the Antidumping Duty Order on Chlorinated Isocyanurates from the People’s Republic of China,” December 21, 2012.

On September 4, 2012, the Department extended the deadline for the final results of review to January 12, 2013.⁸ As explained in the memorandum from the Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from October 29 through October 30, 2012.⁹ Thus, all deadlines in this segment of the proceeding have been extended by two days. The revised deadline for the final results of this review is now January 14, 2012.

Scope of the Order

The products covered by the order are chlorinated isocyanurates (chlorinated isos), which are derivatives of cyanuric acid, described as chlorinated s-triazine triones.¹⁰ Chlorinated isos are currently classifiable under subheadings 2933.69.6015, 2933.69.6021, 2933.69.6050, 3808.40.50, 3808.50.40 and 3808.94.5000 of the Harmonized Tariff Schedule of the United States (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal brief comments by parties in this review are addressed in the Decision Memorandum, which is hereby adopted by this notice. A list of the issues that parties raised and to which we responded in the Decision Memorandum is attached to this notice as an appendix. The Decision Memorandum is a public document and is on file

⁸ See Memorandum “Chlorinated Isocyanurates from the People’s Republic of China: Extension of Deadline for Final Results of Antidumping Duty Administrative Review,” September 4, 2012.

⁹ See Memorandum to the Record from Paul Piquado, Assistant Secretary for Import Administration, “Tolling of Administrative Deadlines As a Result of the Government Closure During Hurricane Sandy,” dated October 31, 2012.

¹⁰ For a complete description of the Scope of the Order, see Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, “Issues and Decision Memorandum for the Final Results of the 2010-2011 Administrative Review of Chlorinated Isocyanurates from the People’s Republic of China,” dated concurrently with this notice (Decision Memorandum).

electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/ia/>. The signed Decision Memorandum and the electronic versions of the Decision Memorandum are identical in content.

Changes Since the Preliminary Results

The Department has made several adjustments to our analysis and programming language. First, we now determine that sodium hypochlorite is comparable merchandise.¹¹ Second, we are selecting the Philippines as the primary surrogate country to value the respondents' factors of production.¹² Therefore, for all surrogate values, with certain exceptions, we are relying on Philippine data, including the surrogate value for labor and the surrogate financial ratios. We are also adjusting the calculation of the respondents' ammonia gas and sulfuric acid by-products. Finally, for Jiheng, we are adding several freight expenses to its raw materials input valuations.¹³

Separate Rates

In proceedings involving non-market economy (NME) countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government

¹¹ See Decision Memorandum.

¹² See Decision Memorandum. See also Memorandum to the File, "2010-2011 Administrative Review of the Antidumping Duty Order on Chlorinated Isocyanurates from the People's Republic of China: Final Results Surrogate Value Memorandum," January 14, 2013.

¹³ See Memorandum to Mark Hoadley, Program Manager, AD/CVD Operations, Office 6, "Analysis for the Final Results of the 2010-2011 Administrative Review of the Antidumping Duty Order on Chlorinated Isocyanurates from the People's Republic of China: Hebei Jiheng Chemical Company Ltd.," January 14, 2013, for a detailed discussion of these changes.

control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of subject merchandise in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent to be eligible for a separate rate.¹⁴ In the Preliminary Results, the Department found that Jiheng, Kangtai, Nanning Chemical Industry Co., Ltd. (Nanning), and Zhucheng demonstrated their eligibility for separate rate status.¹⁵ No parties commented on these separate rate eligibility determinations. Thus, for these final results, we continue to find that the evidence placed on the record of this review by Jiheng, Kangtai, Nanning and Zhucheng demonstrates both a de jure and de facto absence of government control, with respect to their exports of the merchandise under review, and, thus, that these companies are eligible for separate rate status.

Rate for Non-Selected Companies

The separate rate shall be an amount equal to the weighted average of the calculated weighted-average dumping margins established for mandatory respondents, excluding any zero and de minimis margins, and any margins determined entirely on adverse facts available.¹⁶ In this review, the Department calculated company-specific rates for the two mandatory respondents. Using a weighted average of these two company-specific rates to calculate a separate rate would risk disclosure of the mandatory respondents' business proprietary information. Therefore, the Department used a simple average of these two company specific rates to calculate a separate rate, which is 34.08 percent.

¹⁴ See Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China, 56 FR 20588 (May 6, 1991), as further developed in Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China, 59 FR 22585 (May 2, 1994).

¹⁵ See Preliminary Results, 77 FR at 41750.

¹⁶ See section 735(c)(5)(A) of the Tariff Act of 1930, as amended (Act).

Final Results of Review

We determine that the following weighted-average dumping margins exist for the period June 1, 2010, through May 31, 2011.

<i>Exporter</i>	<i>Weighted-Average Margin Percentage</i>
Hebei Jiheng Chemical Co., Ltd.	29.91
Juancheng Kangtai Chemical Co., Ltd.	38.25
Nanning Chemical Industry Co., Ltd.	34.08
Zhucheng Taisheng Chemical Co., Ltd.	34.08

Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b), the Department will determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Where we do not have entered values for all U.S. sales to a particular importer/customer, we calculate a per-unit assessment rate by aggregating the antidumping duties due for all U.S. sales to that importer (or customer) and dividing this amount by the total quantity sold to that importer (or customer).¹⁷ To determine whether the duty assessment rates are de minimis, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), we calculated importer- (or customer-) specific ad valorem ratios based on the estimated entered value. Where an importer- (or customer-) specific ad valorem rate is zero or de minimis, we will

¹⁷ See 19 CFR 351.212(b)(1).

instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹⁸ Based on this methodology, no respondent had a de minimis rate. For the two non-reviewed separate respondents, we will direct CBP to assess duties on an ad valorem basis at a rate equal to the margins indicated above. The Department intends to issue assessment instructions directly to CBP 15 days after the publication of this notice.

The Department recently announced a refinement to its assessment practice in NME cases. Pursuant to this refinement in practice, for entries that were not reported by companies examined during this review, the Department will instruct CBP to liquidate such entries at the NME-wide rate. In addition, if the Department determines that an exporter under review had no shipments of the subject merchandise, any suspended entries that entered under that exporter's case number (i.e., at that exporter's rate) will be liquidated at the NME-wide rate.¹⁹

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above, the cash deposit rate will be the rate established in the final results of this review (except, if the rate is zero or de minimis, i.e., less than 0.5 percent, a zero cash deposit rate will be required for that company); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise that have not been found

¹⁸ See 19 CFR 351.106(c)(2).

¹⁹ See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties, 76 FR 65694 (October 24, 2011).

to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 285.63 percent;²⁰ and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter(s) that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with regulations and terms of an APO is a violation which is subject to sanction.

²⁰ For an explanation on the derivation of the PRC-wide rate, see Notice of Final Determination of Sales at Less Than Fair Value: Chlorinated Isocyanurates From the People's Republic of China, 70 FR 24502, 24505 (May 10, 2005).

Disclosure

In accordance with 19 CFR 351.224(b), we intend to disclose the calculations performed for these final results to parties in this proceeding within five days of the date of publication of this notice.

We are issuing and publishing these final results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

January 14, 2013 _____
Date

Appendix

List of Comments and Issues in the Issues and Decision Memorandum

Selection of Primary Surrogate Country

- Comment 1: Whether Sodium Hypochlorite is Comparable Merchandise
- Comment 2: Surrogate Country Selection
- Comment 3: Surrogate Values if the Philippines is Not Selected as the Surrogate Country

Surrogate Value Selection Comments

- Comment 4: Sodium Chloride
- Comment 5: Urea
- Comment 6: Water
- Comment 7: Chlorine
- Comment 8: Hydrogen
- Comment 9: Steam Coal
- Comment 10: Electricity
- Comment 11: Steam
- Comment 12: Labor
- Comment 13: Financial Ratios
- Comment 14: Whether the Ammonia Gas and Sulfuric Acid Surrogate Values are Reasonable

Jiheng-Specific Comments

- Comment 15: Whether Jiheng's Ammonia Gas "Absorption Rate" Adjustment is Warranted
- Comment 16: Whether Jiheng's Normal Value was Correctly Adjusted for Transportation Costs

Kangtai-Specific Comments

- Comment 17: Whether Kangtai's Ammonia Gas By-product Was Calculated Using the Correct Concentration Level
- Comment 18: Whether Kangtai's Sodium Hydroxide Surrogate Value Should be Adjusted